

Preserving, Renewing, and Enhancing Housing and Neighborhoods in Virginia Beach

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**CITY OF VIRGINIA BEACH
HOUSING AND NEIGHBORHOOD
PRESERVATION PLAN**

AUGUST 2008
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COMMITTEE CHAIRMAN
COUNCIL LIAISON
PLANNING COMMISSION MEMBERS

Ronald Ripley
Rosemary Wilson
Joseph E. Strange
Henry L. Livas, Jr.

**DEPARTMENT OF HOUSING AND
NEIGHBORHOOD PRESERVATION DIRECTOR**

Andrew M. Friedman

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COMMITTEE VOLUNTEERS

Dan Baxter
Dan Brockwell
Claudia Cotton
Mary Kay Horoszewski
Steve Lawson
Frank McKinney

Carolyn McPherson
Iva Nash
Victoria Price
Chandler Scarborough
Phil Shucet
Frank Spadea

LEAD STAFF MEMBER

Lanitha Hudson

COMMITTEE STAFF

Ron Agnor
Jerry Banagan
Ron Berkebile
Jim Cervera
Phil Davenport
Robert Davis
Jasmin Dizon
William Doré
Barbara Duke

Steve Herbert
Pam Matthias
Tom Pauls
Sharon Prescott
Lynn Rountree
Cheryl Smith
Olin Walden
Beverly Kay Wilson

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Housing and Neighborhood Preservation Plan Two-Page Summary

VISION

Vibrant, well-maintained neighborhoods where all residents have the opportunity to obtain desirable, safe and affordable housing and enjoy a high quality of life.

HOUSING PHILOSOPHY

The preservation of affordability, the preservation and renewal of our existing housing stock and the preservation and enhancement of the quality of life in our neighborhoods are key goals of the City.

*all residents have the
opportunity to obtain desirable*

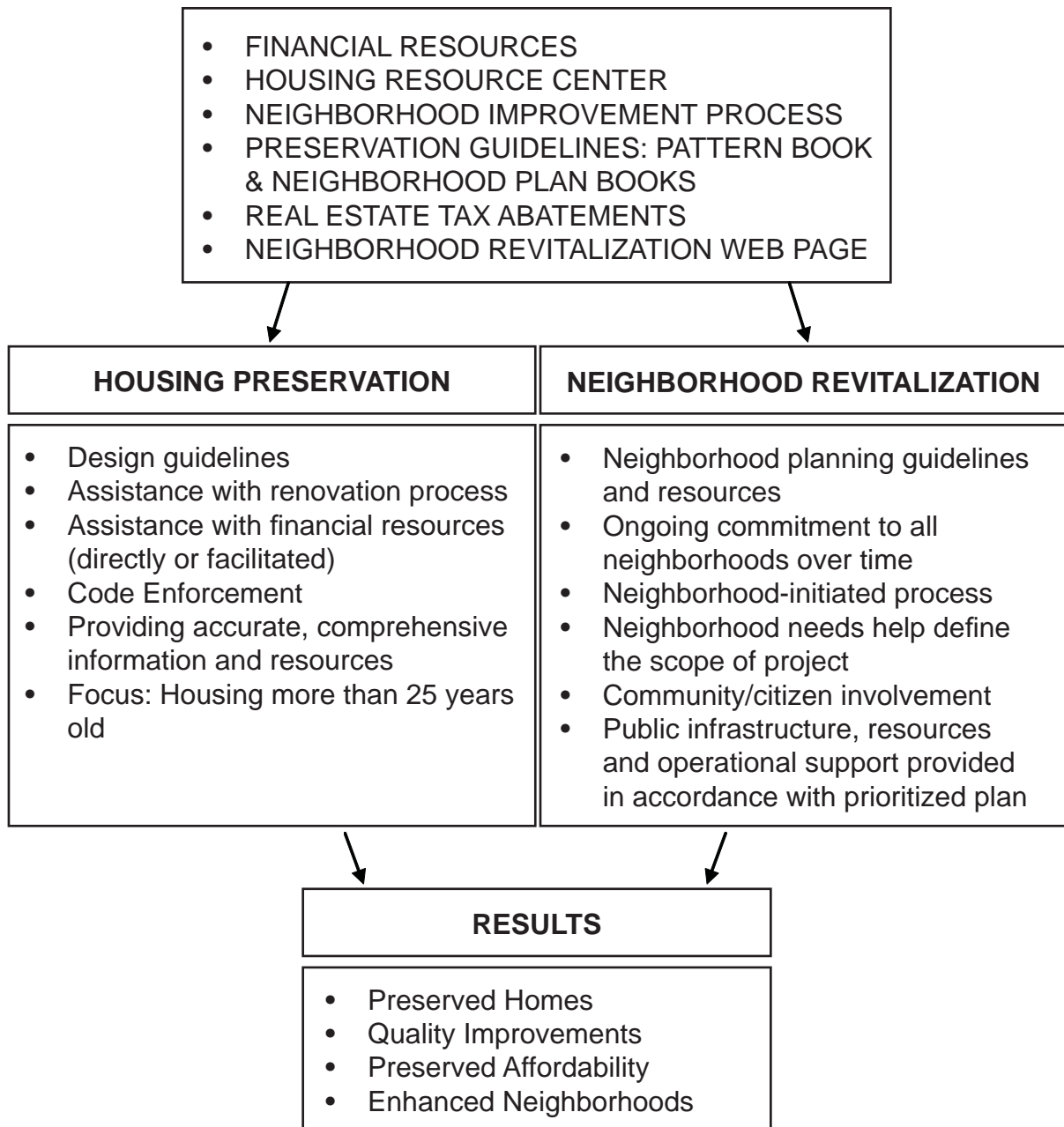
PRINCIPLES

- All action is consistent with the adopted Comprehensive Plan, which “recognizes the primacy of preserving and protecting the overall character, economic value and aesthetic quality of the stable neighborhoods in the Primary Residential Area”
- Quality in the design, construction and rehabilitation of housing
- Housing and neighborhoods are available to a diverse range of people, including people of different cultures, backgrounds, ages, races, capabilities, life stages, and income.
- Diversity, including the type, value and design of housing and neighborhoods, which, in turn, help the City meet its goals for quality physical environment, family and youth opportunities and economic vitality
- Equal access to housing and neighborhoods
- Ensuring affordability for a wide range of households
- Public involvement
- Use of voluntary processes in all aspects of our work

GOALS

- 1) To develop tools that promote and provide incentives for the voluntary improvement of housing in Virginia Beach that preserve and enhance quality housing and neighborhood character.
- 2) To develop a City process that addresses neighborhood preservation and improvement on an ongoing, sustainable basis.

POTENTIAL TOOLS



Executive Summary

In September 2005, the City Council passed a resolution authorizing the Planning Commission to examine and study the City's existing Development Ordinances and recommend amendments in regard to (among other key points) the following:

Helping to preserve the character and value of neighborhoods and housing and assist in their preservation and enhancement.

The January 2007 report of the Workforce Housing Subcommittee noted five recommendations specifically applicable to the preservation and enhancement of existing housing and neighborhoods. These five recommendations were to:

- Establish tax incentives for owners of existing housing that promote reinvestment.
- Establish guidelines for housing renovation that are tailored to individual neighborhoods.
- Establish a “design center” that provides design and related assistance to owners and builders in order to promote and incentivize renovation that is compatible with existing neighborhood character and design.
- Provide information, guidance, help in obtaining financing and design assistance to residents who wish to renovate their housing.
- Insure that capacity exists to preserve neighborhood quality on an ongoing basis in all neighborhoods — adopt a Comprehensive Neighborhood Revitalization Strategy.

The Planning Commission Subcommittee on Preservation (Preservation Subcommittee), appointed by Planning Commissioner Barry Knight at the direction of City Council, convened in January 2008 to further research and to develop these recommendations. The efforts of workforce housing address affordability in new housing that is built in the City. The role of the Preservation Subcommittee is to address the preservation and renewal of existing housing as well as the preservation and enhancement of neighborhoods.

COMMUNITY FOR A LIFETIME

Virginia Beach is a *Community for a Lifetime* for all its citizens at all stages of life. Over

425,000 residents call Virginia Beach home. More than 162,000 homes are organized into nearly 1,000 neighborhoods or communities. These wonderful quality neighborhoods, diverse in characteristics and design, are places our citizens are proud to call home. As the City matures, maintaining Virginia Beach as a *Community for a Lifetime* will require concentrated attention to our housing stock and neighborhoods.

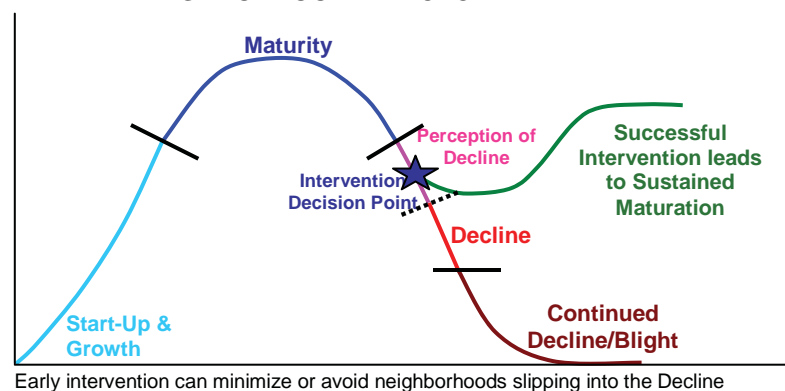
All housing and neighborhoods go through normal life cycle changes. In the beginning stage (Start-up and Growth phase) of a neighborhood – there is a newness that portrays invincibility. As the homes mature in age, the neighborhood grows in character – there is an atmosphere of settled security (the Maturity phase). Here, neighborhoods are at their peak. Homes vary in age from 15 to 50 years. Time in the maturity phase is subject to many variables:

- Construction quality of homes
- Construction style of homes
- Functionality of layout
- Surrounding environmental factors, such as employment opportunities
- Changing needs of the community (i.e. larger families need larger homes, younger and older residents may not want the responsibilities of lawn maintenance, families with children need access to schools)

In this adaptation of Richard Andrews' Land-Use Succession Process, the descent from maturity

to decline is denoted by an intervention decision point. During this stage the type of investments and decisions made determine the future vitality of the neighborhood. With appropriate action, a neighborhood drifting toward decline can experience an upswing toward sustained maturation rather than continue towards decline and blight.

ADAPTED NEIGHBORHOOD LIFE CYCLE



When Mr. and Mrs. X bought their home in Newlight in the early 1960s, the neighborhood was in the early start-up phase. The home had everything they needed ... space for the children to play, ample bedrooms and bathrooms for the average family. However, when Mr. X died in the mid 1990s, Mrs. X was left to care for and maintain the home. Mrs. X's limited resources and knowledge left her with little more than a default decision regarding home maintenance: do nothing. After 10 additional years of deferred maintenance, Mrs. X's home was in need of immediate attention. Through federally and locally funded home repair and improvement programs, Mrs. X found a solution and was able to renovate her home. Mrs. X continues to live in and enjoy her home today.

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Early intervention during late maturity/early decline, when there is only a slight perception of decline, can avoid the costs to individuals and communities associated with recovering from full decline.

Concern for the sustainability of the many starter homes that typify the growth years of our City exists. In addition, a solution to upgrade or renovate is not easy for some to find. The Preservation Subcommittee researched and developed recommendations to address these concerns. The Preservation Subcommittee suggests the following as key ideals for our community:

- Preservation is needed in Virginia Beach.
- Preservation is a good investment.
- Preservation can be done voluntarily and effectively.
- Preservation depends on a foundation of City services that must be maintained and enhanced.

PRESERVATION IS NEEDED IN VIRGINIA BEACH

Mrs. X's home is typical of many starter homes constructed in the City's early years:

- 40+ years old
- 1,000 sq. ft. of living space on a small lot
- 3 bedrooms
- 1 bathroom
- No garage

Today many more homeowners, like Mrs. X, are in need of assistance to renovate but are not eligible for federal assistance as she was. Technological improvements, increased requirements of new families for



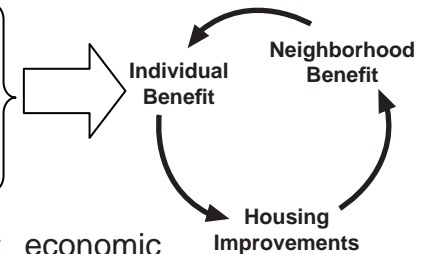
starter homes, and increased home prices make homes like Mrs. X's ripe for renovation for future use.

Good housing and good neighborhoods form the core of our community. Preservation of our housing and neighborhoods is needed due to the age of our housing and the fact that all neighborhoods go through life cycles. We have to proactively ensure that our housing and neighborhoods are renewed, renovated and preserved to avoid potential decline. Intervention to prevent decline is far more cost-effective than allowing decline to occur and then addressing it.

PRESERVATION IS A GOOD INVESTMENT

BENEFITS CYCLE

- Indirect Financial Assistance
- Tax Abatement
- Housing Improvements
- Guidance
- Direct Financial Assistance
- Housing and Neighborhood Preservation programs



Encouraging investment in preservation pays back significant direct and indirect economic benefits to individuals, the community and the City. Whether through the maintenance and improvement of individual homes on a case-by-case basis, or through a coordinated neighborhood-wide effort, the energy created from the implementation of preservation efforts will multiply:

- The impact of one or two homes on a street showing improvement ripples to a dozen and overflows to neighboring streets and adjacent neighborhoods.
- Homes maintained and improved upon preserve affordability for the residents by reducing energy costs.
- Aesthetics of the neighborhood improve, increasing neighborhood pride among residents as well as increasing the value of the homes.
- More and larger scale improvements translate into more employment opportunities, which increase disposable income of residents, increase business tax revenue to the City, and decrease the unemployment rate.
- There are increases in permits, fees, and licenses drawn for improvements to homes, purchase of supplies and materials, and general sales taxes.

In addition to these benefits, there is cost avoidance:

- Fewer resources for crime prevention and code enforcement will need to be allocated in the areas where increased residential pride is overflowing into taking better care of the neighborhood.
- As homes and neighborhoods are improved and enhanced, real estate assessments are stabilized and taxes become more predictable for the taxpayers and the City.



Finally, preservation efforts help promote Virginia Beach as a *Community for a Lifetime* by:

- Sending the message that the community and City care, resulting in an increase in the perception of the quality of life.
- Improving and enhancing the homes, making them more desirable for future generations.

PRESERVATION DEPENDS ON A FOUNDATION OF CITY SERVICES THAT MUST BE MAINTAINED AND ENHANCED

Good neighborhoods are created by and depend on a foundation of solid city services. When asked what makes a good neighborhood, participants of the Neighborhood Institute, through its 12-year history, have consistently noted that safety, schools, quality maintained homes and neighborhoods, fire protection, and available recreational activities (parks, recreation centers, open space) are important features. A strong network of city services includes police, EMS, fire, code enforcement, waste management, stormwater management, utility infrastructure, roads, open space, parks, schools, transportation, and good land use policies. These city services are the foundation of good neighborhoods and must be maintained and/or enhanced to meet the evolving needs of neighborhoods.

PRESERVATION CAN BE DONE VOLUNTARILY AND EFFECTIVELY

If we plan and implement the right preservation programs over the long term and do them carefully, we believe that we can successfully ensure the preservation of housing and neighborhoods. Most homeowners take great pride in their ability to achieve the American dream. They are excited about their investment and therefore seek to maintain it at the highest level possible. Homeowners voluntarily maintain their homes. The tools recommended in this plan will be additional resources they can use to ensure the long-term viability of their home.

SHARED VISION

The Preservation Subcommittee proposes the adoption of a shared vision, that when combined with a defined plan and the correct tools, will help achieve the ideals for the community and the goals of the Preservation Plan. That shared vision is:

“Vibrant, well-maintained neighborhoods, where all residents have the opportunity to obtain desirable, safe and affordable housing and enjoy a high quality of life.”

While Virginia Beach is a young city, over half of the single-family homes are more than 25 years old. In addition, there are minimal amounts of remaining developable land, a growing divide between income and housing prices, and aging homes and neighborhoods. If Virginia Beach is to remain a *Community for a Lifetime*, a plan to address the preservation, renewal, and enhancement of homes and neighborhoods is needed.

What tools are available to help preserve the affordability and preserve and enhance the livability of existing housing for those who live here now and for those want to live here later?

OUTCOMES

The Preservation Subcommittee sought to achieve the following two outcomes:

- Develop tools that promote and provide incentives for the voluntary improvement of the housing in Virginia Beach that preserve and enhance the quality of housing and the neighborhood character.
- Develop a City process that addresses voluntary neighborhood preservation and improvement on an ongoing, sustainable basis.

RECOMMENDATIONS

There are six tools recommended to achieve these outcomes. Note that during the planning process the tools should be



selected and applied in a manner that addresses the unique needs and goals of each neighborhood. Not all tools will fit all neighborhoods, but all of the tools have potential to make a positive impact when properly utilized.

It is also important to note that preserving housing affordability was not a distinct charge of the Preservation Subcommittee. However, throughout our research, we recognized that by suggesting tools that preserve, renew, or enhance the existing housing stock, we were providing ways to preserve affordability.

Following is an illustrative summary of each of the tools:

FINANCIAL RESOURCES

Many cash-strapped homeowners are seeking resources to help them maintain their property. This “maintenance” ranges from typical, annual home maintenance such as

*access them gave her the power
to affect change in her life*

systems cleaning and painting, to efforts to preserve the livability and affordability of the home with new roofs, windows, and energy efficient appliances, to more intense renewal projects that expand the useful life-cycle of the home and preserve the home for the next generation.

Knowledge is power. Knowing about available financial resources impacts the ability to access and benefit from these resources. Accessing existing financial resources is the difference between a well-maintained home and one that has been neglected.

When Mrs. X’s husband died, she lacked the knowledge about programs that existed to help her renovate her home. Her knowledge about federal programs for home repair assistance and ability to access them gave her the power to affect change in her life.

There are many homeowners like Mrs. X. They are unaware of assistance programs. Or they are unsure of how to access the resources they have heard about. Or in some other cases, there is fear about being able to qualify, to repay, or fear of having their homes taken. Regardless of the reason, there is a great need for better access to existing financial resources.

In addition, there is a need for enhanced financial resources. Federal programs have qualifiers that allow for those in need to fall through the cracks. New characteristics of family composition must be considered. For instance, the family which has grown to incorporate new college graduates as well as an aging grandparent may find itself in a predicament. The college graduate returns home unable to afford living solo on an entry-level income. In order to facilitate better care and oversight, the grandparent also moves into the home. The combined household income may exceed federal requirements, especially when the entry-level income of the college graduate and the social security income of the grandparent are combined with the homeowners. Yet, the home needs renovation to adequately house everyone. New, enhanced programs that consider these nuances are necessary.

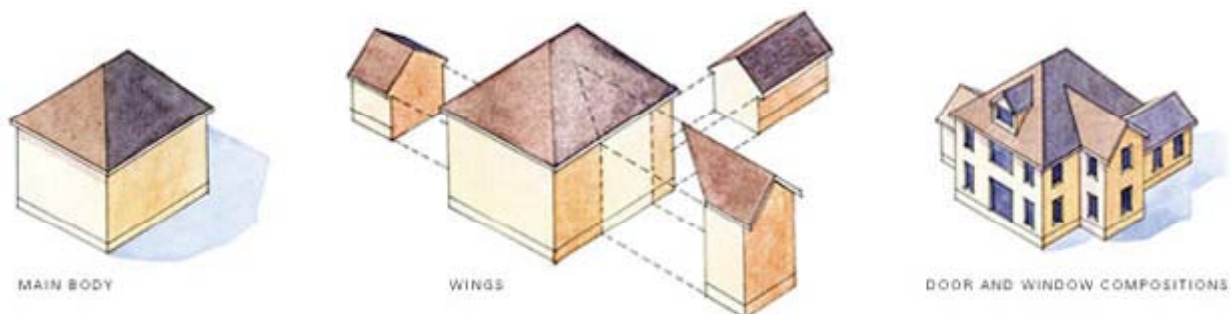
The City must balance the goals of preservation with the financial capabilities of its citizens. Therefore, an appropriate array of financial resources should be available on a limited basis to assist households in reducing the cost of housing improvements. In addition, providing information and access to existing resources is a key to empowering citizens and encouraging preservation activities.

Imagine a starter home from the 1960s: 1,000 square feet of living space, three bedrooms, one bathroom, and no garage. Transformed it could be 2,500 square feet, two and a half stories, with six bedrooms, three and a half bathrooms, a theater room and parking for four vehicles. Or it could be a fully functional 1,500 square foot enhanced ranch home with four bedrooms, two bathrooms, and a covered patio, consistent with existing neighborhood character.

HOUSING RESOURCE CENTER

The housing resource center is envisioned as a place, either virtual (on the Internet) or physical, where residents, developers and architects can obtain guidance, plans and designs that help them improve housing in a manner consistent with the neighborhood style and character.

The transformation of a home can be greatly influenced by the advice of professionals whose goals include maintaining continuity in the neighborhood's character. Whether the information is provided virtually to facilitate quality design ideas, or in person with hands-



on guidance, access to information and expertise are the fundamental goals for the housing resource center. The Subcommittee believes that our citizens will likely feel more comfortable upgrading their housing that may likewise enhance the neighborhood and the overall community, if the City enhances and supports the process by providing creative design ideas and by suggesting proven quality building materials and design guidelines from people who have expertise and experience in the renovation and remodeling field.

COLLABORATIVE NEIGHBORHOOD IMPROVEMENT PROCESS

Individual neighborhoods understand best how to direct their own futures and how to create connections, identity, responsiveness, and neighborhood health. In order to make good decisions, they must have good information with which they can evaluate their own strengths and needs. To provide neighborhood organizations the tools they need to assemble this information, the City, in coordination with all neighborhood groups should assist in the continuous improvement process through three elements: strategic assessment, strategic planning and implementation. The process should also involve ongoing dialogue among all stakeholders to ensure citizens' needs and desires for their neighborhoods are accurately reflected in the plans for improvement.

All neighborhoods are populated with caring and concerned people. They are concerned about providing for their families and about the children's education. They also care about safety in the neighborhood, as well as the appearance of it.

Young and old. New parents and retirees. At all points on the income spectrum, residents become neighbors when a common issue surfaces. Whether they are uniting to address a neighborhood gang, speeding drivers, or an application for a variance to build a structure that does not align with the neighborhood character and style, when neighbors unite, things are accomplished.

When neighbors unite to seek improvement for their neighborhood, a defined process could be beneficial. A collaborative neighborhood improvement process is a group effort. It does not fixate on the wishes of a few; rather, it focuses on the collective needs of the community. A collaborative neighborhood improvement process seeks solutions that are owned by all stakeholders. In fact, through the process, the needs of the community are assessed with all stakeholders engaged in the dialogue. Solutions are developed that maximize existing opportunities with core ongoing city services as well as new opportunities yet to be found. The private sector and non-profit community are included in the planning. Through the process, priorities are determined, including which elements can be done by the residents themselves and which elements need the involvement of the other stakeholders (City, private business, and non-profit community). It ensures that the plan belongs to everyone involved.

Regardless of its characteristics – an affluent community of new luxury condominium owners or a mature neighborhood of single family starter homes – all neighborhoods interested in solutions to improve the neighborhood can benefit from a collaborative neighborhood improvement process. A coordinated process to address neighborhood improvement is a key and separate activity in addition to the other recommended tools.

PRESERVATION GUIDELINES

The purpose of preservation guidelines is to provide information, guidance, and support for residents who want to make changes to their homes. The use of voluntary guidelines, combined with tax incentives for rehabilitation, will encourage housing upgrades that are consistent with the existing neighborhood style and character.

The guidelines range in scope: from providing general information about housing styles and types to developing more detailed plans that depict actual changes to specific properties or neighborhoods. All levels of guidelines seek to uphold the integrity of the existing neighborhood character while offering creative suggestions for the preservation, renewal, or enhancement of homes and neighborhoods.

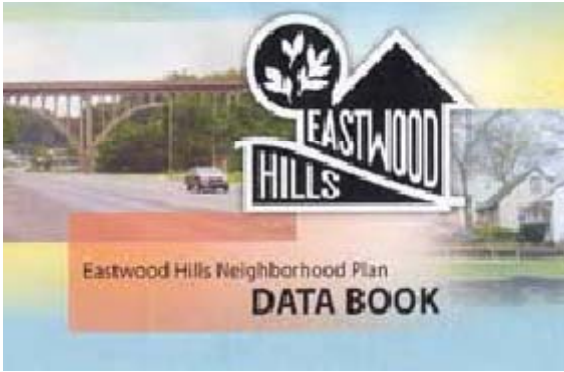
PATTERN BOOK

Pattern books are a user-friendly format for providing information to citizens of Virginia Beach about their communities. A pattern book would depict the existing styles and types of houses and neighborhoods throughout the City. Providing an understanding of the current landscape of the City, describing characteristics of each neighborhood and providing insight into their development and history will foster pride in the region's diversity. The illustration of what exists today will include subjects like building setbacks, the character of the streets, landscaping, and architectural diversity. Residents using the pattern book will be more informed as they make decisions about a planned renovation. This tool could alleviate some of the stress and confusion that can potentially accompany home improvement projects. The pattern book would include design recommendations to provide key information for design and site changes. These recommendations would include information that incorporates new design options, with key concepts like eco-friendly design and accessibility designs, in keeping with existing neighborhood architecture and character.



PLAN BOOKS

Specific plans would be developed, in conjunction with the neighborhood



assessment process, to provide a cohesive and comprehensive design outlook for a desiring community. A plan book is specific to a community, addressing its unique needs and desires. The enhancement elements of the plan would address the needs documented by the community members. These plans could address lighting, infrastructure,

landscaping, and architectural design elements that help residents plan for the future of their neighborhood.

TAX ABATEMENT PROGRAM

Reducing the tax burden on investments in home improvements is a basic method of helping to incentivize those improvements. The purpose of the tax abatement program is to encourage significant improvement of residential properties throughout the City that is of the highest construction quality and architectural design, complementing the surrounding area. Improvements must add to the value and livability of the home and extend the useful life of the dwelling. When the abatements are provided only in connection with established design guidelines or plans, improvement that helps maintain neighborhood character is also incentivized.

Everyone will not be able to meet the qualifications for the tax abatement program. Many homeowners withdrew equity from their homes over the past few years in order to pay off credit cards, purchase vehicles, take vacations, or to meet any number of other needs. There may be many homeowners with limited equity and very limited capacity to invest at the level necessary to qualify for the tax abatement.

However, for those homeowners who are able to, the tax abatement program should:

- Offer taxpayers an opportunity to improve a residential structure and not pay full taxes on those improvements for 10 years.
- Commence at the beginning of the tax year immediately following completion of rehabilitation and acceptance by the City that all requirements have been met.
- Not recognize for tax purposes the increase in assessed value due to the

improvements listed on the application for the first 10 years following the commencement of the abatement period.

The ripple effect is one expected benefit: other homeowners will initiate some level of home improvement when they see others venturing into home improvement. This spillover will drift from street to street throughout neighborhoods all over the city. All of these projects may not be at the magnitude to qualify for the tax abatement, but the impact on the overall community will be noticeable.

COMMUNITY/CITIZEN INVOLVEMENT

Early and ongoing involvement of citizens is fundamental to the planning, development, and implementation processes. It will be important to include the voice of the community. Without dialogue between all stakeholders, programs can be developed that do not accurately address the needs. Through ongoing discussions and two-way communication, needs and desires are revealed, higher level solutions are discovered, and collaborative ownership is generated.

*necessary for plan development.
Ongoing communication is necessary*

Dialogue is not just necessary for plan development. Ongoing communication is necessary to ensure that when new financial resources are discovered, citizens are informed; during the development of a neighborhood plan book, the residents must be engaged to shape the future of their community; the neighborhood improvement process does not work without continued conversations; and the tax abatement program will generate discussions in many households about improvements that can be initiated.

We have learned much from the many citizen forums over the years. Lessons from the Public Voices process have been culled into a public listening format called *Partnering to Shape our Community*, which can be found in the Exhibits. The result is a plan to involve citizens early on and in meaningful ways to affect important processes such as this Plan being recommended by the Preservation Subcommittee.

The recommendations in this report should not appear as “the sole answer” to aging housing and neighborhoods or to the need for preservation efforts. As mentioned, there are numerous ongoing services and activities of the City that form the foundation of a good neighborhood and help to create and maintain the many quality neighborhoods that exist.

CONCLUSION

Recommendations from the Preservation Subcommittee address the types of tools and enhancements that could be implemented to promote and provide incentives for the voluntary improvement of housing that preserves and enhances quality housing and neighborhood character. In addition, the recommendations address a collaborative process for neighborhood preservation and improvement on an ongoing, sustainable basis. The recommendations are to serve as enhancements to the foundational tools already available. They are designed to build on the foundation and do not and should not substitute for them – the foundations are fundamental.

It is also important to note that all the tools recommended in this report are voluntary. No new requirements or authority is to be imposed on homeowners or neighborhoods. It is the opinion of the Preservation Subcommittee that these recommendations will foster an atmosphere of collaboration, with individual citizens engaged in activities that build on neighborhood character and draw the community closer, while working with City staff and other experts to achieve the vision.

Virginia Beach Housing and Neighborhood Preservation Plan

The City of Virginia Beach has many wonderful quality neighborhoods that are diverse in characteristics and design. Housing and neighborhood design patterns range from beach cottages, rural farm style, suburban ranches, traditional colonial homes, townhouses, multi-family, mid and high-rise flats, to the region's most expensive waterfront homes. As the City of Virginia Beach matures, its neighborhoods will require concentrated attention in order to keep the city a *Community for a Lifetime* for all of its citizens. The Virginia Beach Housing and Neighborhood Preservation Plan (Plan) is a new and exciting proactive initiative that will provide residents the opportunity to identify enhancements that will add to the quality of life of the community, through the development of a comprehensive approach to housing preservation that is tailored to the specific needs of the various neighborhoods.

Each neighborhood has some degree of preservation needs as well as its own unique assets. The proposed Plan is designed to be a citywide preservation initiative where communities and the City share the responsibility for the implementation of the final plan, including preservation activities for individual homes and neighborhood-wide revitalization efforts. Central to this Plan is the development and adoption of a shared Preservation "Vision" and "Housing Philosophy" that is based on community-wide "Preservation Principles".

The Preservation Principles address the neighborhood as well as the individual home. A major component of the Plan is the promotion of the spot preservation of individual homes throughout the city, whether or not the homes are a part of an organized neighborhood-based initiative. Key stakeholders are the residents, civic leagues, local stakeholders, churches, area businesses, Department of Housing and Neighborhood Preservation and other City departments. The stakeholders will work collaboratively and voluntarily to address land use planning, housing preservation, infrastructure and service delivery issues.

Following City Council's guidance, broad-based community involvement is a foundation

of the Plan's development. A starting point will be the principles of the "Public Listening Model," which has been utilized a number of times in the city. Broad stakeholder input and participation will help to:

- Identify the needs and assets of each neighborhood
- Define its desired future
- Develop an understanding of and commitment to an improvement plan

The Plan will describe how to build on neighborhood assets and take advantage of special opportunities. The Plan will also provide for a prioritized long-term approach to preserve all neighborhoods. Implementing the Plan will include developing a clear vision and short and long-term strategies for the neighborhood.

The tools designed in this Plan are intended to encourage and assist residents and contractors to undertake property improvements that are of the highest quality and consistent with the existing architectural style and character of the neighborhood.

COSTS AND BENEFITS

Economic development is often related to business commerce, industry and services. It is unusual to view preservation of housing and preserving the character of the community as a driver of economic growth and sustainability. Preserving housing to help create affordable housing is often seen as a social program. Preserving higher valued housing is often seen as a luxury. These activities are not normally viewed as a creator of jobs and as an income-producing sector of the community.

However, it is the conclusion of the Subcommittee that sustainable economic development is intrinsically tied to communities that plan their community well and promote their existing housing stock through progressive preservation policies. Housing preservation has substantial economic benefits to the neighborhood and the community at large.

This report supports the premise that progressive community preservation policies add value to the community and its citizens. Further, a proactive, highly visible preservation policy will help bring and sustain jobs in the community. This report will measure and compare the costs and benefits, including the "ripple" benefits to other property owners in the neighborhood and area businesses, and the creation of jobs. The use of this model is intended to help property owners, neighborhoods and the City as a whole make informed judgments about how much and where to invest.

Employers making business location decisions are concerned about the availability of quality housing options at price ranges that are affordable to their workforce. Quality of life that includes good schools, low crime, recreational opportunities and the general quality of the housing stock has increasingly become an overriding factor in the site selection process. In the early years of the City, there was an ample supply of land to produce new housing that could satisfy the many growth pressures of Virginia Beach. An ample supply of land for new construction is simply not the case today in the City of Virginia Beach because the majority of land available for residential development has been developed. It is clear that if the City does not address the long-term need to preserve and enhance its existing housing stock, through the promotion of a quality preservation process, it will gradually lose a huge competitive economic development advantage that it once enjoyed. Healthy economic development is tied to quality housing that will satisfy all income levels of the workforce. This Preservation Plan is designed to benefit our citizens for all the reasons stated herein. However, this Plan is also designed to provide our Economic Development Department an additional quality of life enhancement that will help to promote our great City to businesses considering locating here. These two benefits of this Plan are inherently tied together.

The Vision

Virginia Beach ... *A Community for a Lifetime*

Housing and Neighborhood Preservation Plan ... **Vibrant, well-maintained neighborhoods where all residents have the opportunity to obtain desirable, quality, safe and affordable housing and enjoy a high quality of life.**

Virginia Beach is recognized as a great place to live, as well as work, raise children, retire, and have fun. There are many great facets to Virginia Beach: quality schools; great libraries and recreation facilities; strong police presence, including a successful community policing program; volunteer fire and rescue squads; involved citizenry; and a renowned Oceanfront.

The Preservation Subcommittee recognizes that to be a great place to live, Virginia Beach must have great neighborhoods in which citizens live. In addition to its unique characteristics, a great neighborhood is a vital neighborhood, where people are putting energy into it (through investment, maintenance, and social activity) because they want to live there and believe in its future. Vibrant, well-maintained neighborhoods are alive with that vitality.

Housing and neighborhoods are closely knit. The Preservation Subcommittee believes that good housing exists only within the context of good neighborhoods. Therefore, the great, vital, vibrant, well-maintained neighborhoods of Virginia Beach are composed of housing where residents want to live and raise children, housing that is quality and safe, and housing they can afford. All residents have the opportunity to live in and enjoy a high quality of life in neighborhoods and housing that make up and support Virginia Beach as a *Community for a Lifetime*.

*Virginia Beach ... A
Community for a Lifetime*

Housing Philosophy

The preservation of affordability, the preservation and renewal of our existing housing stock and the preservation and enhancement of the quality of life in our neighborhoods are key goals of the City.

The Preservation Subcommittee's viewpoint on Virginia Beach's housing and neighborhoods reflects that of the City Council. In the second edition of *A Strategy to Achieve City Council's Vision for the Future*, neighborhoods are noted as the building blocks of our City. The houses in which our citizens live are distinctly connected to the neighborhoods in which they are located.

*preservation and enhancement
of the quality of life*

Maintaining (through preservation, renewal, and enhancement) healthy neighborhoods and the housing located in them is a key step in maintaining the vision of Virginia Beach as a *Community for a Lifetime*.

This philosophy guides all of the efforts recommended as part of this Plan.

Preservation Principles

In addition to the Vision and Housing Philosophy, the following principles provided additional guidance in the development of the recommendations. If approved by City Council, these principles should also guide future work on preservation:

- All action is consistent with the adopted Comprehensive Plan, which “recognizes the primacy of preserving and protecting the overall character, economic value and aesthetic quality of the stable neighborhoods in the Primary Residential Area”
- Quality in the design, construction and rehabilitation of housing
- Housing and neighborhoods are available to a diverse range of people, including people of different cultures, backgrounds, ages, races, capabilities, life stages and income
- Diversity, which includes the type, value and design of housing and neighborhoods, which, in turn, help the City meet its goals for quality physical environment, family and youth opportunities and economic vitality
- Equal access to housing and neighborhoods
- Ensuring affordability for a wide range of households
- Public involvement
- Use of voluntary processes in all aspects of our work

Goals

Two primary outcomes were sought as the Preservation Subcommittee conducted its work. These two outcomes were:

1. To develop tools that promote and provide incentives for the voluntary improvement of housing in Virginia Beach that preserves and enhance quality housing and neighborhood character.
2. To develop a City process that addresses neighborhood preservation and improvement on an ongoing, sustainable basis.

*promote and provide incentives
for the voluntary improvement*

Foundations of Good Neighborhoods

Achieving good housing and neighborhoods does not happen by accident. Many key services of the city are necessary to create and maintain quality neighborhoods. When asked what makes a good neighborhood, participants of the Neighborhood Institute, through its 12-year history, have consistently noted that safety, schools, quality maintained housing and neighborhoods, fire protection, and available recreational activities (parks, recreation centers, open space) are important features. Police, EMS, fire, waste management, stormwater management, utility infrastructure, roads, open space, parks, schools, and transportation are the foundation of good neighborhoods. These are ongoing services of the city that must continue.

Wherever possible, the foundational services should be integrated into the Plan. As needed there should be enhancements to increase effectiveness and overall results.

Among these core services, there are three which can and should be leveraged to accomplish the goals as determined for a particular neighborhood during the neighborhood assessment process. These are:

- Code Enforcement program and policies
- Infrastructure projects
- Land use policies and development ordinances

CODE ENFORCEMENT

Ensuring that private property owners maintain their property to City standards also provides a foundation for neighborhood improvement. When considering upgrades and maintenance to their own properties, property owners must know that their property values will not be harmed by failure of a neighbor to perform adequate maintenance.

With a staff of 22 inspectors divided into four teams aligned with the police precincts, Code Enforcement inspects properties throughout the city and enforces the maintenance provisions of the Uniform Statewide Building Code and the City's Property Maintenance

Codes. Over 18,000 building and property maintenance inspections are conducted annually.

Inspections are initiated through routine patrols or by citizen request. Integrating Code Enforcement programs and policies into the Plan could involve making more citizens aware of the work of Code Enforcement, working with neighborhood or civic groups to address pressing neighborhood concerns, implementing targeted enforcement in neighborhoods with demonstrated higher incidences of violations, or a variety of other actions.

INFRASTRUCTURE PROJECTS

City investment in the maintenance, upgrading or reconstruction of public infrastructure provides a foundation for long-term physical quality of a neighborhood. In addition, the size and scope of infrastructure projects can be leveraged to provide additional and non-traditional improvements if defined as a goal of neighborhoods, including street-scape improvement, traffic calming, open space and/or parks.

Funding is usually insufficient to fully implement the backlog of existing projects and the future requirements. The Capital Improvement Program (CIP) defines needs, sets priorities, plans funding, and anticipates impacts of capital needs on the operating budget needs of the government.

A key to maximizing the funds which are available is to incorporate, whenever and wherever possible, project needs in the design and implementation of neighborhood plans, leveraging opportunities.

LAND USE POLICIES AND DEVELOPMENT ORDINANCES

The Comprehensive Plan is the City Council's official general land use policy document for the physical development of the city and the basis for development ordinances. The Comprehensive Plan is seen as a reliable and steadfast indicator of governmental policy. It serves as a guide to both the public and private sector by providing, among other policies, a relatively predictable picture of how land will develop, how public services and facilities will be provided, how housing will be made available, and what constant guiding principles will be employed to balance competing interests in answering critical questions such as those outlined above. The Comprehensive Plan does not address these issues individually, but presents a coordinated strategy that integrates the approaches to each into a single philosophy of improvement for the city. It achieves its major objective by

designed to enhance or create greater opportunities

laying out agendas for action, by implementing them through development ordinances, by valuing the benefits of long range planning over short term rewards and by building on the successes of previous plans. When it comes to housing and neighborhood preservation, the overriding objective of these policies is to protect and stabilize the predominantly suburban character of the city that is defined, in large measure, by the stable neighborhoods.

Consistency with the Comprehensive Plan adds great strength to decisions that are made. Although it is not binding, the City Council has historically given great weight to it in its decision making process, especially in rezoning matters. When making these decisions, it is important to take into account the unique character of the affected neighborhood and make adjustments as necessary to protect it. The Comprehensive Plan policies seek to achieve this by providing more definitive planning direction in the areas of compatible land uses, open space guidance, community appearance and neighborhood design, and other planning recommendations.

The additional tools recommended in this Plan are designed to enhance or create greater opportunities to leverage the foundational tools for maximum benefit. They are designed to build on the foundation and do not and should not substitute for them – the foundations are fundamental.

Recommended Tools

The services noted in the previous section provide the foundation for quality, stable, vibrant, well-maintained neighborhoods throughout Virginia Beach. These tools have existed and evolved over time. Without them, any other program/service merely treats a symptom rather than the root cause of any issue. Because of the foundational tools, the following enhancements can build upon existing success to further achieve the vision for Virginia Beach neighborhoods.

*Build upon existing success
to further achieve the vision*

FINANCIAL RESOURCES

In the past few years we have seen home prices increase rapidly. This increase has outpaced incomes, causing homes that were once affordable to low and moderate income households to be out of reach. Home prices and rental prices are subject to market conditions. Preserving affordability in light of market adjustments and the lack of income increases is difficult, if not impossible, to coordinate.

Although preserving housing affordability was not a distinct charge of the Preservation Subcommittee, we recognized that by suggesting ways to preserve, renew, or enhance the existing housing stock, we were providing ways to maintain the affordability of that housing stock. For instance, creating new financial resources and providing increased awareness about and access to existing resources will aid in bridging the affordability gap for some. In like fashion, providing access to information and expertise for maintenance and renovation advice will help others make cost-effective decisions that will preserve the affordability of the home.

SUMMARY

Many cash-strapped homeowners are seeking resources to help them maintain their property. This “maintenance” ranges from typical, annual home maintenance such as systems cleaning and painting, to efforts to preserve the livability and affordability of the home with new roofs, windows, and energy efficient appliances, to more intense renewal projects that expand the useful life cycle of the home and preserve the home for the next generation.

Knowledge is power. Knowing about available financial resources impacts the ability to access and benefit from these resources. Accessing existing financial resources is the difference between a well-maintained home and one that has been neglected.

When Mrs. X's husband died, she lacked the knowledge about programs that existed to help her renovate her home. Her knowledge about federal programs for home repair assistance and ability to access them gave her the power to affect change in her life.

There are many homeowners like Mrs. X. They are unaware of assistance programs. Or they are unsure of how to access the resources they have heard about. Or in some other cases, there is fear about being able to qualify, to repay, or fear of having their homes taken. Regardless of the reason, there is a great need for better access to existing financial resources.

In addition, there is a need for enhanced financial resources. Federal programs have qualifiers that allow for those in need to fall through the cracks. New characteristics of family composition must be considered. For instance, the family which has grown to incorporate new college graduates as well as an aging grandparent may find itself in a predicament. The college graduate returns home unable to afford living solo on an entry-level income. In order to facilitate better care and oversight, the grandparent also moves into the home. The combined household income may exceed federal requirements, especially when the entry-level income of the college graduate and the social security income of the grandparent are combined with the homeowners. Yet, the home needs renovation to adequately house everyone. New, enhanced programs that consider these nuances are necessary.

The recommendations include providing greater access to existing programs, expertise that helps understand these programs, and enhanced program offerings.

EXISTING RESOURCES

The City of Virginia Beach provides a variety of programs to help qualified homeowners repair their homes and reduce future maintenance costs in order to improve the physical quality of the neighborhood, and the long-term value and affordability of the housing.

In addition, there are existing programs available from banks that may be considered for homeowners or multi-family owners to use to finance the cost of improvements. Some of these options are lines of credit, home equity loans, refinancing the mortgage to include the cost of improvements, or other rehabilitation loan programs.

OPPORTUNITIES

New pending federal regulations may make additional financial resources available. In addition, there are other potential resources that would require action by the City to make loans to individual homeowners to finance the cost of improvements. These and other options should be researched. Citizens should be made aware of these resources once uncovered and assisted in accessing them.

THE UNMET NEED

- Homeowners experience many hurdles attempting to make improvements to their homes. There is the lack of equity to be able to finance improvements, a lack of household income to support the debt of financing the improvements, bad credit or high monthly credit card payments that limit the ability to secure a loan, and lack of affordable loan products to cover the cost of improvements.
- Renters face even more hurdles because they have no collateral to offer in order to obtain financing for improvements.

- Developers are challenged with the lack of affordable financing that will allow improvements *and* keep the housing affordable, general lack of incentive to upgrade properties, higher interest rates, and the lack of credit/financing.
- Investors will need incentives such as tax abatements that can be transferred to an owner occupant. In addition investors are met with the lack of affordable loan financing, lack of credit, and a slow real estate market that would hurt the ability to sell houses once remodeled.

THE RECOMMENDATION

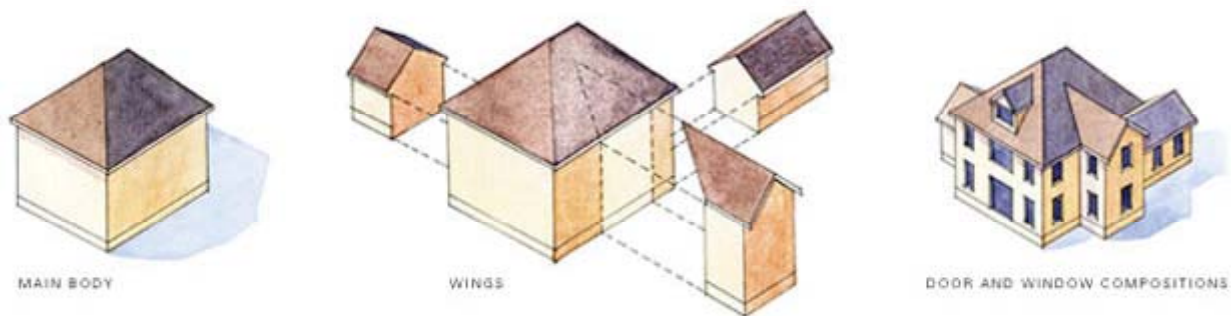
The City will need to work with the Virginia Housing Development Authority (VHDA), Federal Home Loan Bank, HUD and other sources of funding to ensure that a broad range of products are available. Additional incentives such as tax abatements must be built in to encourage and assist in the preservation, renewal, and enhancement of housing and neighborhoods throughout the city.

HOUSING RESOURCE CENTER

Imagine a starter home from the 1960s: 1,000 square feet of living space, three bedrooms, one bathroom, and no garage. Transformed it could be 2,500 square feet, two and a half stories, with six bedrooms, three and a half bathrooms, a theater room and parking for four vehicles. Or it could be a fully functional 1,500 square foot enhanced ranch home with four bedrooms, two bathrooms, and a covered patio, consistent with existing neighborhood character.

SUMMARY

The transformation of a home can be greatly influenced by the advice of professionals whose goals include maintaining continuity in the neighborhood's character. Whether the information is provided virtually to facilitate quality design ideas, or in person with hands-on guidance, access to information and access to expertise are the fundamental goals of this section of the report. The Subcommittee believes that our citizens will likely feel more comfortable in upgrading their housing, that may likewise enhance the neighborhood and the overall community, if the City enhances and supports the process by providing creative design ideas and by suggesting proven quality building materials and design guidelines from people who have expertise and experience in the renovation and remodeling field.



THE GOAL

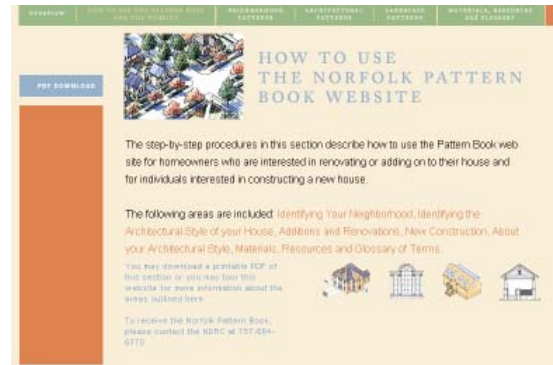
The idea of a Housing Resource Center is one way to achieve this goal. In a “center” like the City of Norfolk’s, expertise, resources, and the opportunity to create events and interactions are all combined with the added symbolic value of a place that shows the city’s commitment.

However, a physical center is not the only way to achieve these goals. Various options for achieving the goals, both partially and fully, and both immediately and in a phased process are identified. This discussion assumes that the actual information resources have been created and therefore discusses only how to make them available. The resources envisioned include a pattern book, plans books, and various guides regarding choosing a contractor, doing your own work, city planning and zoning guides.

THE RECOMMENDATIONS

To provide resources residents can use to make informed decisions, the following phased approach is recommended:

- Phase I: Web page or “virtual” resource center. This is the lowest cost option, allowing a variety of resources to be made available, 24 hours a day, seven days a week. However, it offers no guidance, expertise, place to conduct business, or opportunity for synergy and discovery.
- Phase II: Virtual center enhanced by providing printed materials in an existing office location, perhaps as part of the City library system. Depending on the amount of space used, this is a low cost option. Additional advantages exist if the location were at the Municipal Center, near the Departments of Planning and Housing. However, higher costs could be involved if staff is assigned to travel to and maintain/organize a remote location.
- Phase III: Virtual center plus a dedicated “Housing Resource Center.” This is the highest cost option, requiring construction or remodeling. However, it provides an iconic symbol of the City’s commitment to the preservation, renewal, and enhancement of the existing housing stock and neighborhoods.
- Phase IV: Virtual center plus a “Mobile Resource Center.” This high cost option would equip a vehicle to bring resources to neighborhoods and other events. This option would require maintenance and replacement as well as design and construction.



To provide access to expertise and guidance in areas such as design, architecture, construction, neighborhood outreach, and planning, which are not currently available from the City, the following options are recommended:

- Phase I: Use volunteers. This is the lowest cost option for expertise. It could be an initial pilot project to determine the feasibility and assess the ease or difficulty in obtaining the necessary participation and/or in matching the participation with the need.
- Phase II: Non-full time consulting services available by appointment. This option offers great potential for high level of expertise, and the ability to budget for a desired number of hours. Higher cost per hour (versus full time staff) may be offset by fewer hours, resulting in lower total cost.
- Phase III: Paid staff: Although this is the highest cost option, it offers long-term stability, highest level of availability, and potential for long-term history/experience.

Beginning with a virtual center and starting with volunteers with some staff to manage and coordinate, allows the opportunity to determine the demand for additional services, learn what is needed, make recommendations based on experience, and continue to enhance the options available to the citizens as resources are available.

COLLABORATIVE NEIGHBORHOOD IMPROVEMENT PROCESS

A Process for the Development and Implementation of Improvement Strategies at the Neighborhood Level

“Develop a City process that addresses voluntary neighborhood preservation and improvement on an ongoing, sustainable basis.”

SUMMARY

Virginia Beach has been working with residents to improve its neighborhoods since it became a city. Many successful efforts have been identified and carried out and others are underway as we write this report. However, because of the age of our housing, the Subcommittee believes that it is time to adopt a formal, ongoing and sustainable process with defined steps and timelines, that ensures that we plan for the improvement and maintenance of all neighborhoods over time, to ensure that Virginia Beach remains a city where all residents have the opportunity to enjoy a high quality of neighborhood life.

The City as a whole and the residents of individual neighborhoods both have a stake in creating a positive future for each neighborhood of the city. Therefore, a partnership is necessary in order to create a joint plan that will be effective at envisioning and creating that future.

We believe that a planning process that consists of three elements – assessment, strategic planning and implementation – in which all key stakeholders participate, will produce the best results for all involved. The process is designed to include ongoing dialogue among all stakeholders to ensure citizens’ needs and desires for their neighborhoods are accurately reflected in the plans for improvement.

Virginia Beach has hundreds of individual neighborhoods. It is neither feasible nor necessary to make formal plans for all of them at the same time. Therefore, there is a clear need for a long-term approach that defines a sustainable process so that over time, the issues affecting all neighborhoods can be addressed, while in the short term, critical problems and opportunities can be prioritized and addressed. In addition, the long-term approach emphasizes that resources will not be available to address all neighborhoods today, but that with effective planning and prioritization, they will not be ignored until they become critical.

Below we have summarized the three elements. Each one will need further elaboration as the City develops and implements the neighborhood improvement process.

NEIGHBORHOOD ASSESSMENTS

The neighborhood assessment process is designed to identify the current conditions and issues affecting a neighborhood, and to identify strengths, opportunities and areas for improvement. Such a process usually involves a series of open meetings at which residents, City staff and other stakeholders identify these items and list information to be obtained. Gathering that information, reviewing it together and coming to conclusions about it through discussion and other group techniques are the basis of an effective assessment process.

A comprehensive assessment will include reviews of the land use policies and development ordinances and laws that affect the neighborhood, the condition of public facilities, the availability of open space and recreation opportunities, the condition of housing, neighborhood demographics, crime and other factors that residents and the City identify as relevant.

STRATEGIC PLANNING

A strategic planning process for neighborhoods involves identifying the key long term goals for the neighborhoods and the key strategies to get there. A long-term approach is critical to success since both public and private improvements, voluntary cooperation, and significant funding or other issues may be involved. While there are variations on exactly how to conduct the process, all methods should result in a vision of the future of the neighborhood that residents and City officials can understand and to which they can commit.

IMPLEMENTATION

Implementation involves the actual carrying out of plan elements. In order to achieve an effective implementation plan, it is necessary to address the question, “Who needs to do what?” to achieve the various pieces of the vision outlined in the strategic plan. In the case of neighborhood improvement, it will often require the effort of both city forces and citizens to achieve success. In some instances, citizens themselves are the key actors, while in others, the city government is the only way to get the job done. Clearly identifying these issues and working together consistently is the most likely way to achieve success in the implementation of a neighborhood improvement plan.

CITIZEN PARTICIPATION

Citizen participation in the neighborhood assessment process will help to:

- Identify the various needs and assets of the neighborhood
- Define its desired future
- Develop an understanding of and commitment to an improvement plan

Citizen participation is a foundation of how the City of Virginia Beach carries out its work. Utilizing it in neighborhood improvement planning has been done many times; this recommendation only seeks to emphasize and continue that tradition.

THE RECOMMENDATION

The Subcommittee recommends that a collaborative neighborhood improvement process as described be developed. It is the further recommendation of the Subcommittee that the necessary resources for conducting this process be allocated to ensure the process is implemented on an ongoing, sustainable basis.

PRESERVATION GUIDELINES

SUMMARY

The purpose of preservation guidelines is to provide information, guidance, and support for residents who want to make changes to their home. The use of voluntary guidelines, combined with tax incentives for rehabilitation, will encourage housing upgrades that are consistent with the existing neighborhood style and character. The guidelines range in scope: from providing general information about housing styles and types to developing more detailed plans that depict actual changes to specific properties or neighborhoods. All levels of guidelines seek to uphold the integrity of the existing neighborhood character while offering creative suggestions for the preservation, renewal, or enhancement of homes and neighborhoods.

THE GOAL

Making home improvements is an individual choice. There is no lack of ideas generated from home improvement and do-it-yourself television shows and Web sites. However, not all ideas produce results that help to maintain neighborhood character.

Homeowners and contractors could benefit from an available set of guidelines that offer suggestions for improvements or enhancements that are in keeping with the character and architectural style of the neighborhood.

EXISTING RESOURCES

Through the City's Department of Planning, there are a variety of existing resources addressing improvement and enhancement options. The adopted Comprehensive Plan along with several area and corridor plans and studies are used to guide and manage the future physical growth of specified areas in the City. In addition, an array of design guidelines exists, which can be applied to certain areas of the City, certain types of development projects, or to address particular aspects of all developments.

THE UNMET NEED

Much of the existing resources pertain to large developments, and do not provide the discrete information needed by many residents or civic groups to make improvements to individual properties or established neighborhoods.



Residents need guidelines that are focused on their particular interests – their homes and neighborhoods. Two levels of guidelines can meet that need:

1. Survey and illustration of existing homes – the current reality – in the form of a pattern book.
2. A more detailed product offering actual plan designs specific to a neighborhood, as plan books.

THE RECOMMENDATIONS

Our recommendation is to provide a resource for homeowners, builders and communities to use as they preserve, enhance, and renew their houses and enhance their neighborhoods. Preservation guidelines will offer information to residents to enable easy and informed decisions that maintain and enrich neighborhood character and architectural style.

The preservation guidelines should be composed of two parts: a description of the current housing types in Virginia Beach neighborhoods, including design recommendations that enrich continuity within the neighborhoods, and specific plans to assist and benefit the individual residents with their homes. To accomplish these tasks, survey and design will be necessary. In addition a method to communicate the information will be necessary. There are many avenues for developing this resource and plans to bring it to fruition in a timely and cost-efficient manner.

Pattern books are a user-friendly format for providing information to Virginia Beach citizens about their communities. A pattern book would depict the existing styles and types of houses and neighborhoods throughout the city. Providing an understanding of the current landscape of the city, describing characteristics of each neighborhood, and providing insight into their development and history will foster pride in the region's diversity. The illustration of what exists today will include subjects like building setbacks, the character of the streets, landscaping, and architectural diversity. Residents using the pattern book will be more informed as they make decisions about a planned renovation. This tool could alleviate some of the stress and confusion that can potentially accompany home improvement projects. The pattern book would include design recommendations to provide key information for design and site changes. These recommendations would include information that incorporates new design options, with key concepts like eco-friendly design and accessibility designs, in keeping with existing neighborhood architecture and character.

Specific plans would be developed, in conjunction with the neighborhood assessment process, to provide a cohesive and comprehensive design outlook for a desiring community. A plan book is specific to a community, addressing its unique needs and desires. The enhancement elements of the plan would address the needs documented by the community members. These plans could address lighting, infrastructure, landscaping, and architectural design elements that help residents plan for the future of their neighborhood.

TAX ABATEMENT

SUMMARY

The purpose of the tax abatement program is to encourage significant improvement of residential properties throughout the city that is of the highest construction quality and architectural design, complementing the surrounding area. Improvements must add to the value and livability of the home and extend the useful life of the dwelling.

CURRENT HOUSING ENVIRONMENT

- The real estate tax assessment rate is at a historic low of \$0.89/\$100.00.
- The City has experienced tremendous growth in the value of assessments from 2001-2006.
- The current market is expected to have flat or little appreciation over the short term.
- There is little raw land left for housing development above the Green Line.
- Many homeowners withdrew equity from their homes to pay off credit cards, purchase vehicles, etc. There may be many homeowners with limited equity and very limited capacity to incur more debt.
- Baby Boomers may have a desire to “trade down,” downsize or to move to housing with less exterior and yard maintenance. Bigger is not always better when older. This may create opportunities for younger families to “buy up” into the single family housing market.
- The City’s current rehabilitation assistance programs average roughly \$40,000 per customer with an average customer income of \$27,000. If the costs of these repairs had to be financed, the average cost to the household would be about \$360.00 per month (assuming a 15-year term at 8% interest). Very few, if any, of the households assisted would be able to incur this additional cost for housing with their current income and existing mortgages. (Note: these programs are limited by HUD income guidelines are limited to households at 80% or below Area Median Income (AMI). Based on current program utilization, the average household is at 50-60% of AMI.)
- Repairs and maintenance of homes normally do little to increase their value but usually will preserve the affordability and life of the homes and make them more marketable for resale.
- As the housing stock in Virginia Beach continues to age, it will need more maintenance and has the potential to be functionally obsolete for today’s families.

THE RECOMMENDATION

Reducing the tax burden on investments in home improvements is a basic method of helping to incentivize those improvements. When the abatements are provided only in connection with established design guidelines or plans, improvement that helps maintain

neighborhood character is also incentivized. Therefore, it is the recommendation of the Preservation Subcommittee that a tax abatement program be established. Following are suggested elements for the program:

- The program should offer taxpayers an opportunity to improve a residential structure and not pay taxes on the increase in value for those improvements for 10 years.
- The abatement should commence at the beginning of the tax year immediately following completion of rehabilitation and acceptance by the City that all requirements have been met.
- The increase in assessed value due to the improvements listed on the application should not be recognized for tax purposes for the first 10 years following the commencement of the abatement period.

We also recommend the following basic requirements for a residential component:

- The rehabilitation must be done on the dwelling unit, not on accessory structures to qualify.
- The structure must be at least 30 years old. (The exact age will need to be set by City Council upon adoption of an ordinance to approve the program.)
- Improvements to the structure must increase the assessed value by at least 20%.
- Design guidelines must be met.



COMMUNITY/CITIZEN INVOLVEMENT

SUMMARY

The Preservation Subcommittee believes that public involvement is a key part of the planning process and vital to the success of the Plan and therefore encourages public discussion and comment on the recommendations. This section details the various phases for public discussion and strategies recommended for achieving it.

THE GOAL

Early and ongoing involvement of citizens throughout the planning, development, and implementation processes.

RECOMMENDED STRATEGIES

There are a variety of strategies possible for public involvement that includes engaging the community in dialogue, receiving feedback, and providing information about the Plan and various aspects of it. We have learned much from the many citizen forums over the years. Lessons from the Public Voices process have been culled into a public listening format called *Partnering to Shape our Community*, which can be found in the Exhibits. The result is a plan to involve citizens early on and in meaningful ways to affect important processes such as this Plan being recommended by the Preservation Subcommittee.

The following opportunities should be considered as recommendations from the Preservation Subcommittee:

- Web site additions
 - Preservation Subcommittee Web page
 - Preservation Program Web page
 - Virtual Housing Resource Center
- Monthly column in Council of Civic Organizations (CCO) newsletter
 - Program-specific updates
- Presentations to CCO, Citizen Advisory Committees, Civic Leagues, Tidewater Builders Association (Remodelers Group), other organizations
- Media outreach
- Email blasts
- Public input forums
- Presence at industry-related events
- Create access and promote information about Resource Center tools (i.e. “How To” workshops, videos, etc.)
- Cross-marketing through Permits and Inspections
- Design Day held in conjunction with existing event (i.e. Home and Garden Show)

Applying the Tools

The recommended tools apply to both housing preservation and neighborhood revitalization. Housing preservation addresses improvements and enhancements at the unit level. It consists of activities that lead to existing housing being upgraded or renovated for continued use, often including enhancements and modernization. Unit-by-unit preservation of homes involves the use of the following tools:

- Preservation guidelines (a pattern book and general design guidelines) that demonstrate how to remodel consistent with the character and style of the neighborhood
- Assistance with financial resources for remodeling, such as tax abatements, direct financial assistance, low cost financing, or facilitating market, federal and state loan programs
- Information and expertise about remodeling and upgrading

The focus for housing preservation is homes more than 25 years old. In essence, the spot preservation of individual homes at the unit level will have a significant impact throughout the course of preservation efforts. Preservation of individual homes is important not only for the individual home and residents, but as a catalyst for other residents, impacting the neighborhood and the community of Virginia Beach at large.

While housing preservation can be undertaken by any individual, addressing the preservation and enhancement of neighborhoods requires the collaborative efforts of multiple groups and the development of a plan through a coordinated process. A more holistic approach is taken for neighborhood revitalization, engaging a broad range of stakeholders, identifying assets and opportunities, determining the needs, and assigning potential resources to fulfill the needs. The tools addressing neighborhood revitalization are:

- Collaborative neighborhood improvement process
- Neighborhood planning guidelines
- Foundational City services

Evaluating the Tools

Evaluation is critical to ensuring the objectives of each tool recommended in the Plan are being fulfilled. Through evaluation we will know if we have succeeded in meeting the challenges of housing preservation and neighborhood enhancement in Virginia Beach; we will ensure that the actions and measures that are taken really do meet the needs of the citizens and community at large. An evaluation will be developed for each tool in the Plan during the development stage.

The evaluation will include feedback from the stakeholders and others familiar with each tool. Data and feedback will be collected to assess which elements of the Plan are working and which elements need to be changed, as well as to assess the results of each tool.

The Department of Housing and Neighborhood Preservation will ensure the evaluation is conducted in a timely manner and that the results are made available for review by City Council and the public.

Renewal of housing pays direct and indirect economic benefits

Economic Impact Analysis

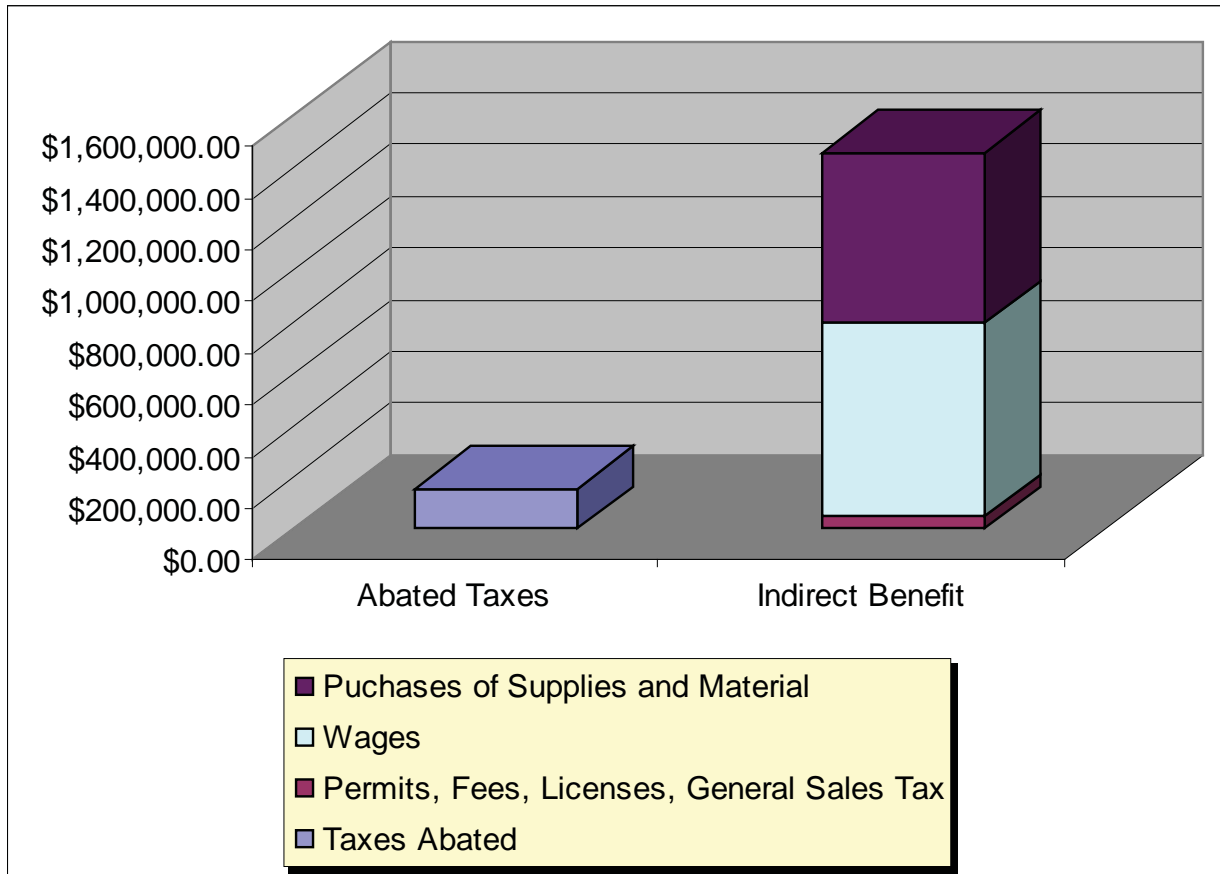
Encouraging and incentivizing private investment in the preservation and renewal of housing pays direct and indirect economic benefits. Our analysis, included among the Exhibits in this report, shows that even when providing tax abatements, both the government and the community receive very large net benefits from private investment in housing.

The following is a hypothetical example: If, over five years, owners in a given neighborhood improve 185 homes with a total investment of \$6.3 million dollars, using our proposed tax abatement program, the City would postpone only \$154,634 in real estate taxes. However, the investment would generate over \$50,000 in other local tax revenues and fees, and over \$1.4 million in indirect benefits such as wages and purchases of supplies and materials. Therefore, over the five-year period the City would recover 32% of the abated amount through other taxes, and the community as a whole would realize a benefit of \$1.4 million or a nine-fold return on the City's investment. We think this clearly illustrates the value to encouraging and incentivizing investment.

The charts below provide the same information (for a five year period):

Number of Homes Renovated	Total Value of Renovation	Value of Taxes Abated by City	Value of Wages, Supplies, and Materials	Value of Local Permits and Other Taxes	Total Indirect Benefit from Renovation
185	\$6,299,567	\$154,634	\$1,404,515	\$50,121	\$1,454,636

Average Value of Each Renovation	\$34,051
Assumed Tax Rate	\$.89
Ratio of Total Indirect Benefit to Taxes Abated:	9:1



Note: Preservation model and assumptions developed by the Virginia Beach Department of Management Services. Indirect benefit calculations based on the National Association of Home Builders' national model and modified to meet locality needs by the Virginia Beach Department of Management Services.

Exhibits

A-1: Workforce Housing Resolution	i.
B-1: Explanation of Terms	iii.
C-1: Public Listening	v.
C-2: Partnering to Shape Our Community	vi.
D-1: Tax Abatement: Comparing Programs in Other Localities	vii.
D-2: Tax Abatement: Recommended Criteria for a Program in Virginia Beach	viii.
E-1: Neighborhood Preservation Analytical Model	x.
E-2: Summary of Preservation Economic Impact Analysis	xi.
E-3: Inception Year Preservation Economic Impact Analysis	xii.
E-4: Average Economic Impact Analysis	xiii.
F-1: Timeline	xiv.

A-1: WORKFORCE HOUSING RESOLUTION

1.

A RESOLUTION REFERRING TO THE PLANNING COMMISSION DIRECTIONS TO STUDY AND PROPOSE AMENDMENTS TO THE CITY'S DEVELOPMENT ORDINANCES THAT ENHANCE THE PRODUCTION OF WORKFORCE AND AFFORDABLE HOUSING

WHEREAS, the public necessity, convenience, general welfare and good zoning practice so require; and

WHEREAS, the Comprehensive Plan calls for housing that meets the needs of citizens at all income levels; and

WHEREAS, the Comprehensive Plan further identifies areas of the city where new housing and new types of housing should be focused; and

WHEREAS, the City's Development Ordinances currently do not contain criteria that specifically provide for the development of workforce or affordable housing; and

WHEREAS, it is the desire of City Council to insure that the City's Development Ordinances help achieve the goals of the Comprehensive Plan in regard to workforce and affordable housing

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the Planning Commission examine and study the City's existing Development Ordinances and recommend amendment in regard to the following:

Increasing the overall supply of workforce and affordable housing by encouraging increased density and mixed-use

development in the Strategic Growth Areas not affected by the AICUZ zones;

Increasing the production of housing affordable to the workforce as part of new housing productions;

Helping to preserve the character and value of neighborhoods and housing and assist in their preservation and enhancement.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That the Planning Commission be, and hereby is, directed to transmit to the City Council its recommendations concerning the aforesaid study for review in April 2006.

COMMENT

The Resolution refers to the Planning Commission direction to study and recommend amendments to the City's Development Ordinances (the City's Zoning Ordinance, Subdivision Ordinance, Site Plan Ordinance, etc.) in regard to workforce and affordable housing.

The Resolution also directs the Planning Commission to transmit to the City Council its recommendation concerning the study by April 2006. This gives the Planning Commission a six-month time period to study and recommend amendments on this complicated issue.

Adopted by the City Council of the City of Virginia Beach, Virginia, on the _____ day of _____, 2005.

CA-

H:OID\land use\proposed city code changes\referral-affordable
R-1 -September 14, 2005

APPROVED AS TO CONTENT

APPROVED AS TO LEGAL SUFFICIENCY:

Planning Department

City Attorney's Office

B-1: EXPLANATION OF TERMS

Pattern Book: A book that:

- 1) Documents neighborhood patterns, architectural housing styles/ patterns and landscaping patterns in most or all the neighborhoods in a city
- 2) Provides illustrations of exterior remodeling options and ideas that fit within and/or enhance the character of each neighborhood.

Plans Book: Provides actual detailed illustrative plan drawings for various types of remodeling jobs for specific housing models that exist in a defined neighborhood or neighborhoods. A plans book would typically be developed for neighborhoods where a limited number of housing styles/types were created when the neighborhood was developed. The plans would be consistent with the exterior remodeling guidelines and options provided in a Pattern Book.

Housing Preservation: Activities that cause existing housing to be upgraded or renovated for continued use, often includes enhancements and modernization.

Preservation activities could include:

- the provision of information about how to upgrade or remodel;
- incentives for remodeling such as tax abatements, direct financial assistance, low cost financing, facilitating market and federal and state loan programs
- guidelines (such as the pattern or plans books) that provide information on how to remodel within the character of the neighborhood;

Neighborhood Revitalization: The reinvestment of citizen, municipal and economic capital into neighborhood activities which when aggregated significantly contribute to the improvement of the physical condition, safety, social activity, recreational opportunities and aesthetic appeal of a neighborhood.

Renewal: Action that extends the useful life of existing structures and infrastructure while maintaining integrity and neighborhood character. “Useful life” implies significant exterior and or interior renovation actions such as upgrading modern conveniences, re-roofing the structure, reconditioning or replacing the siding material windows and doors, bathroom or kitchen upgrades, energy efficient appliances, electrical upgrades, etc.

The following three definitions were extracted from the City’s 2003 Comprehensive Plan Policy Document, as amended August 28, 2007, page 245:

Quality: We believe that quality in design and construction of housing and neighborhoods, at all price ranges, will be the most cost effective approach to achieving our goals over the long term. A lack of initial quality in the name of affordability or any other goal will only end up postponing costs and shifting them to others.

Diversity: We believe that the best approach to housing and neighborhoods is to maintain and improve upon the diversity in housing and neighborhoods that is already a positive component of our City. This diversity includes the type, value and design of housing and neighborhoods, which, in turn, help the city, meet its goals for quality physical environment, family and youth opportunities and economic vitality. In addition,

people from a variety of cultures, backgrounds, ages, races and capabilities will have greater opportunities to find and retain safe, decent and affordable housing.

Equal Access to Housing and Neighborhoods: We must continue to ensure that artificial barriers to persons who wish to live in our housing and neighborhoods are removed and/or not put in place.

How We Communicate a Plan

Our communication challenges will vary from growth area to growth area; what works in Lake Edward may not work in Pembroke. The city should develop a specific plan for each area of focus, and that plan could include any or all of the following tools:

- Newsletters can help a neighborhood stay up to date on what's happening in the area.
- An illustrated brochure depicting the development plan for the specific area would show residents, business owners and media a vision (example at right).
- Incorporating a **web site** element will ensure immediate, broad-based access to the latest information on the project. Media could access the site for background purposes, and residents would appreciate the 24/7, just-in-time advantages of an Internet component. New software enabling us to upgrade illustrations and maps in real time could be included.
- Appointing a **task force** from the neighborhoods to serve as contacts on the plan helps us manage communication more effectively. This would include representatives from **both the residential and business** communities involved.
- Identifying **community and business opinion leaders**, enlisting their support and inviting them to take an active role on the task force will ensure that the community's interests are well-represented in the plan.
- Providing assistance with **media relations**, if wanted/needed, would help task force members manage inquiries effectively.
- Helping task force members write and distribute **letters** on our progress and soliciting input will help the neighborhood and business community stay well-informed.
- Developing an **information kit** for media and the community will help present and communicate information effectively. The kit could include a fact sheet, graphic representation of the plan and information on the overall development vision for the city and contact names and numbers.

ONE POSSIBLE CONCEPT FOR PRINCESS ANNE COMMONS A PLACE TO LIVE, LEARN, WORK AND PLAY



Partnering to Shape our Community

What We Heard in the Public Voices Process

Key Points Applicable to Planning:

Participants insisted upon an institutionalized on-going role in the planning process for citizens.

Committees or commissions should be formed at the neighborhood level to consider local projects and identify development needs and funding priorities. Related to this is a request to educate citizens on the process and impacts of proposed projects.

The active partnership of citizens, business, government, military and others, is an absolute requirement for the creation of a vision or plan for community development.

The role of government in the process of community development is to convene and manage an open and transparent process, provide professional expertise, identify the zoning and other requirements to implement the development plan, and then implement and protect the plan.

A long-term, unified community shaping vision should include multiple planning components (e.g. infrastructure, transportation, open space).

Citizens should be involved early in the decision making process.

Fundamental Citizen Values:

Citizens connected property rights to redevelopment in nearly all of the Public Voices forums. Some wanted no property to be taken by government. Others were comfortable having eminent domain used for roads and schools. The use of eminent domain for economic development was opposed by many.

The current Comprehensive Plan defines redevelopment as the regeneration of less productive uses or structures with more productive uses or structures to significantly better serve the community values of our citizens and the goals of the city and to revitalize the city. The citizens believe that community development should significantly contribute to the ability of nearby uses and neighborhoods to prosper, to be more in keeping with market conditions and that regeneration will provide positive benefits for the city, the property owner, nearby residents and affected business operators.

Many citizens expressed a narrow view of redevelopment. They saw it as demolition and reconstruction – often to the detriment of citizens. This opinion was especially strong among opponents of high-density neighborhoods that strain the infrastructure.

How We Plan to Involve Citizens

In recognition of our citizens' concerns and values, we propose a Community Assessment and Planning Process for each Strategic Growth Area that will result in positive citizen energy and actionable documents for shaping the future of our community. The proposed process incorporates each of the Public Voices key point recommendations, includes additional discussion and learning surrounding the citizens' fundamental values, and results in plans that reflect citizen concerns.

1. Follow the basic tenet of Public Voices on Redevelopment – city convenes and supports citizens to generate direction and goals (in this case, more specific than the Comprehensive Plan) and get a sense of preferences regarding the city's role (intervention tools/levels of investment) in stimulating private sector to achieve goals, if any.
2. Convene a relatively short community process with all interested parties, including business interests and neighborhoods within or having interest in the area. Begin with an evening orientation meeting where city would define parameters of this process (e.g., this is primarily commercial development, we're not here to take your house, but to generate ideas to better shape the future of the community in which you live), discuss the development tools available in broad terms (e.g., no eminent domain beyond traditional city uses, toolbox in general), and review **benefit potential for surrounding neighborhoods and the city at large**. The city's presentation during this session should reflect an understanding of the other fundamental values expressed by the citizens in Public Voices.
3. Conduct a Saturday morning tour with photo opportunities to survey current land use, appropriate and inappropriate, in the area.
4. There would then be one or more evening meetings to **discuss citizen preferences and react to city's preliminary alternatives** regarding land uses, development patterns, planned or possible transportation improvements, public space possibilities, and other related elements, all with some graphic aids. This is the "What do we – the city and the community – want to see happen here" piece, starting from "we" the city and moving toward "we" together.
5. These discussions should include potential relocation plan(s) for consideration and how workforce housing goals can be aspects of shaping the community. **Group discussion should also touch on the other principal concerns surfaced in the PVoR process**, including the desire for mixed use, density levels, how architectural guidelines might be used, pedestrian friendliness, how to incorporate natural areas, impacts on schools, opportunity for bringing good jobs, and impacts on public safety and utility services.
6. The collected input would be returned to process participants and forwarded to the appropriate responsible party on city staff for review and implementation. Implementation would include the publication of an **illustrated goals printed graphic** along the lines of the Princess Anne Commons example, which is reproduced on the reverse side.

Principal Citizen Concerns:

- Redevelopment **adversely affects neighborhoods** by increasing density, e.g., more crime
- Balance need for redevelopment with needs of most "at risk" citizens
- Minimum wage workers will not be represented
- **People being displaced** are not at the table
- Risk to preferred standard of living at neighborhood level
- Housing needed for every economic level
- People should be treated fairly – **compensated fairly** for their property
- Eminent domain only for schools and roads, not for economic purposes
- Oceana should be represented
- Redevelopment changing nature of the neighborhood in negative ways
- Address deteriorating or **blighted areas**
- Community (neighborhood) benefits – **all should benefit**
- **Transportation planning** – traffic is concern, need for more mass transit
- People will be displaced and will need help
- Lack of quality in construction leading to blight
- Current **inappropriate land uses**
- Need **guidelines for architecture**
- Desire mix of retail and residential, pedestrian-friendly
- Redevelopment should plan for economic development to provide good jobs
- Avoid bland, franchise development in favor of unique, local
- Natural areas – **preserve, maintain**, incorporate beauty
- The effect redevelopment will have on public schools
- Any redevelopment plan should address the needs of disabled people
- **Affordable housing**
- More moderately-priced apartments are desperately needed in the city
- Citizens should provide the **fine-tuning for their local areas**
- Plan – and budget – for infrastructure, including public safety needs, before new developments are built
- Lack of citywide vision - city as a whole, needs of all citizens

D-1: TAX ABATEMENT: COMPARING PROGRAMS IN OTHER LOCALITIES

City	Structural Age (years)	100% Abatement Time Frame (years)	Partial Abatement Terms	Increase in Value	Design Guidelines	Abatement Transferable	Application Fee (\$)	Abatement Eligibility Deadline	Construction Completion Period	Minimum # of Units	Area Restrictions	Assessor Approval	Comments
Virginia Beach (Historic)	15												
Falls Church													
Newport News	25	NA	6 Yrs=50%, 40/30/20/10/0	20%		Yes	NA		1.5 Years				Provisions for demolition reconstruction. Contractor repairs only.
Manassas Park													
Richmond													
Single Family	15	10	80/60/40/20/0	20%		Yes	50	Jan.1	3 Years				
Multi-family	15	10	80/60/40/20/0	40%		Yes	50	Jan.1	3 Years				
Fairfax													
Single Family													
Multi-family	20	10	NA	25%					3 Years	6			
Norfolk													
Single Family	15	10	80/60/40/20/0	20%	Yes	Yes (1 time)	50		2 Years				
Multi-family	50			40%			250		2 Years	5	Yes		
Prince William Co.	15	10		25%									
Buena Vista	75	10		40%									
Harrisonburg	25	5											
Henrico Co.	26	7		50%			50						

**D-2: TAX ABATEMENT: RECOMMENDED CRITERIA FOR A PROGRAM
IN VIRGINIA BEACH**

Criteria	Range	Recommendation	Count	Comments
<i>Property type</i>	Single family Multi-family Townhomes Condominiums	Single family Townhomes Condominiums	102,078 19,640 19,164	FY 2008 City Assessor Data
<i>Age</i>	15 years and older	35 years and older	41,063	Approximate
<i>Occupancy</i>	Owner Rental	Owner	27,758	Census Bureau 2006 statistics
<i>Income</i>	\$0 to wealthy	All	27,758	see Occupancy
<i>Asset</i>	Improvements Land	Improvements	27,758	see Occupancy
<i>Assessed value</i>	Any City mean % of mean City median % of median	City median	189,700	Approximate
<i>Abatement duration</i>	5 years 10 years 15 years 20 years 25 years	10 years		
<i>Abatement magnitude</i>	Equal each year Phased declining Phased increasing	Equal each year		City Assessor recommendation
<i>Value change</i>	5% to 10% 10.1% to 20% 20.1% to 30% 30.1% to 40%	20%	37,940	
<i>Upgrade qualification</i>	Additions Wiring Plumbing Fixtures Siding Windows Pools/Jacuzzis Fences Landscaping Driveways	Additions Wiring Plumbing Fixtures Siding Windows		

D-2: TAX ABATEMENT: RECOMMENDED CRITERIA FOR A PROGRAM IN VIRGINIA BEACH

Criteria	Range	Recommendation	Count	Comments
<i>Exterior contribution</i>	0% to 100% of upgrade	20% of upgrade	#REF!	
<i>Guidelines</i>	Yes No	Yes		
<i>Application fee</i>	\$0 to ?	\$125		
<i>Transferability of relief</i>	Yes No Limited	Limited		Remaining relief for buyer/occupiers
<i>Effective abatement date</i>	Repair date Application date Completion date Next start year of completion	Next start year of completion		Eliminates prorations and potential incompletions
<i>Repair qualification start date</i>	Anytime Immediately Defined buffer	180 days of approval		
<i>Repair qualification completion date</i>	Anytime Expedited Defined buffer	Dependent upon projects scope: 12 to 24 months		
<i>Exterior qualification completion date</i>	Anytime Expedited Defined buffer	Within 12 months		
<i>Repairing organization</i>	Contractor Homeowner Both	Both		Permits and work completed within guidelines

E-1: NEIGHBORHOOD PRESERVATION ANALYTICAL MODEL

The financial model is a tool intended to measure the Preservation Plan's economic impact. This tool will help to demonstrate well planned preservation initiative costs and benefits for neighborhoods and the community at large. Collaboratively, based on individualized preservation plans, neighborhood leaders and the City will select the model's assumptions. The Preservation Subcommittee has selected assumptions and values applicable for a typical area. Measuring the effect on real estate taxes is a part of the model; however, the Plan's primary purpose is the creation of value for Virginia Beach citizens. In order to measure the real estate tax abatement component of the Plan, real estate taxes must be addressed. The Subcommittee's goal is to help create value for the homeowner and/or economic development value benefiting the community at large. The Subcommittee used the existing tax rate for all projections. For potential real estate tax rate adjustments, the model has provision for change.

The following analytical model measures the costs and benefits derived within a typical census tract (number 45806). It is located on the east side of Rosemont Road between I-264 and Holland Road. The tract was randomly selected and based upon the age of homes, type of construction, size of the census tract and average assessed house value found in this statistical area. The model is an example, and the values and assumptions are for demonstration purposes only. The homes in this census tract are wood framed, built between 1960 and 1969, generally one- and two-story, and 1,300 to 2,000 square feet in size. There are 1,476 housing units located in the tract, and the average assessment is just under \$200,000

E-2: SUMMARY OF PRESERVATION ECONOMIC IMPACT ANALYSIS

Census Tract	45806
Number of Housing Units	1476
Average Land Value	\$ 59,005
Average Improvement Value	<u>\$ 137,677</u>
Average Assessment	\$ 196,682
Total Assessments	\$ 290,302,632

Estimated Number of Preservation Project Over 5 Years:

	# Home Not Receiving Abatement	# of Home Receiving Abatement	Total	% of Census Tract
Year 1	14	28	42	2.9%
Year 2	16	32	48	3.3%
Year 3	18	37	55	3.8%
Year 4	21	41	62	4.2%
Year 5	23	46	69	4.7%
Total	92	- 185	276	18.7%

Typical Preservation Cost to Home Owner:

Unabated Preservation Investment % of Average Improvement Value	Estimated Range	\$ 6,884 5%	to	\$ 20,652 15%
Abated Preservation Investment % of Average Improvement Value	Estimated Range	\$ 27,535 20%	to	\$ 41,303 30%

Preservation Impact Over Five Years:

	Homes Not Receiving Abatement	Homes Receiving Abatement	Total
Number of Home Impacted	92	185	277
Neighborhood Preservation Value Added	\$ 1,244,673	\$ 6,299,567	\$ 7,544,240
Net Preservation Tax Abatement	\$ 30,520	\$ 154,634)	\$ (124,114)
Preservation Impact	\$ 297,228	\$ 1,454,636	\$ 1,751,864

E-3: INCEPTION YEAR PRESERVATION ECONOMIC IMPACT ANALYSIS

Abated Economic Impact										
	Number of Homes Abated	Neighborhood Preservation Value Added	Local Real Estate Tax Rate	Neighborhood Preservation Tax Abatement	Local Earnings due to Preservation	Local Preservation Permits, Fees and Licenses	Local Preservation Merchant Trade	Local Preservation General Sales Tax	Annual Preservation Economic Impact	
Year 1	28	\$ 955,096	0.89	\$ 8,500	\$ 113,056	\$ 6,613	\$ 99,886	\$ 999	\$ 220,554	
Year 2	32	1,107,505	0.89	18,357	131,097	7,660	115,825	1,158	255,741	
Year 3	37	1,259,913	0.89	29,570	149,138	8,707	131,765	1,318	290,927	
Year 4	41	1,412,322	0.89	42,140	167,179	9,754	147,704	1,477	326,114	
Year 5	46	1,564,731	0.89	56,066	185,220	10,800	163,643	1,636	361,300	
Year 6	-	-	0.89	-	-	-	-	-	-	
Year 7	-	-	0.89	-	-	-	-	-	-	
Year 8	-	-	0.89	-	-	-	-	-	-	
Year 9	-	-	0.89	-	-	-	-	-	-	
Year 10	-	-	0.89	-	-	-	-	-	-	
Gr. Total	185	\$ 6,299,567		\$ 154,634	\$ 745,691	\$ 43,533	\$ 658,823	\$ 6,588	\$ 1,454,636	

Unabated Economic Impact										
	Number of Homes Unabated	Neighborhood Preservation Value Added	Local Real Estate Tax Rate	Neighborhood Preservation Tax Change	Local Earnings due to Preservation	Local Preservation Permits, Fees and Licenses	Local Preservation Merchant Trade	Local Preservation General Sales Tax	Annual Preservation Economic Impact	
Year 1	14	\$ 187,971	0.89	\$ 1,673	\$ 22,250	\$ 2,798	\$ 19,658	\$ 197	\$ 44,903	
Year 2	16	218,453	0.89	3,617	25,859	3,241	22,846	228	52,175	
Year 3	18	248,935	0.89	5,833	29,467	3,684	26,034	260	59,446	
Year 4	21	279,416	0.89	8,319	33,075	4,127	29,222	292	66,717	
Year 5	23	309,898	0.89	11,078	36,683	4,571	32,410	324	73,988	
Year 6	-	-	0.89	-	-	-	-	-	-	
Year 7	-	-	0.89	-	-	-	-	-	-	
Year 8	-	-	0.89	-	-	-	-	-	-	
Year 9	-	-	0.89	-	-	-	-	-	-	
Year 10	-	-	0.89	-	-	-	-	-	-	
Gr. Total	92	\$ 1,244,673		\$ 30,520	\$ 147,334	\$ 18,421	\$ 130,171	\$ 1,302	\$ 297,228	

Aggregate Economic Impact										
	Total # of Homes Preserved	Neighborhood Preservation Value Added	Local Real Estate Tax Rate	Net Neighborhood Preservation Tax Abatement	Local Earnings due to Preservation	Local Preservation Permits, Fees and Licenses	Local Preservation Merchant Trade	Local Preservation General Sales Tax	Annual Preservation Economic Impact	
Year 1	41	\$ 1,143,067	0.89	\$ 6,827	\$ 135,307	\$ 9,411	\$ 119,545	\$ 1,195	\$ 265,458	
Year 2	49	1,325,957	0.89	14,740	156,956	10,901	138,672	1,387	307,915	
Year 3	55	1,508,848	0.89	23,738	178,605	12,391	157,799	1,578	350,373	
Year 4	62	1,691,739	0.89	33,821	200,254	13,881	176,926	1,769	392,830	
Year 5	69	1,874,629	0.89	44,989	221,903	15,371	196,053	1,961	435,288	
Year 6	-	-	0.89	-	-	-	-	-	-	
Year 7	-	-	0.89	-	-	-	-	-	-	
Year 8	-	-	0.89	-	-	-	-	-	-	
Year 9	-	-	0.89	-	-	-	-	-	-	
Year 10	-	-	0.89	-	-	-	-	-	-	
Gr. Total	276	\$ 7,544,240		\$ 124,114	\$ 893,025	\$ 61,955	\$ 788,994	\$ 7,890	\$ 1,751,864	

E-4: AVERAGE ECONOMIC IMPACT ANALYSIS

Average Abated Economic Impact										
	Number of Homes Abated	Neighborhood Preservation Value Added	Local Real Estate Tax Rate	Neighborhood Preservation Tax Abatement	Local Earnings due to Preservation	Local Preservation Permits, Fees and Licenses	Local Merchant Trade	Local Preservation General Sales Tax	Annual Preservation Economic Impact	
Year 1	28	\$ 34,057	0.89	\$ 303	\$ 4,031	\$ 236	\$ 3,562	\$ 89	\$ 7,918	
Year 2	32	\$ 34,106	0.89	\$ 304	\$ 4,037	\$ 236	\$ 3,567	\$ 89	\$ 7,929	
Year 3	37	\$ 34,144	0.89	\$ 304	\$ 4,042	\$ 236	\$ 3,571	\$ 89	\$ 7,938	
Year 4	41	\$ 34,173	0.89	\$ 304	\$ 4,045	\$ 236	\$ 3,574	\$ 89	\$ 7,944	
Year 5	46	\$ 34,197	0.89	\$ 304	\$ 4,048	\$ 236	\$ 3,576	\$ 89	\$ 7,950	
Year 6	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 7	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 8	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 9	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 10	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Gr. Total	185	\$ 170,678		\$ 1,519	\$ 20,203	\$ 1,180	\$ 17,850	\$ 446	\$ 39,679	

Average Unabated Economic Impact										
	Number of Homes Unabated	Neighborhood Preservation Value Added	Local Real Estate Tax Rate	Neighborhood Preservation Tax Change	Local Earnings due to Preservation	Local Preservation Permits, Fees and Licenses	Local Merchant Trade	Local Preservation General Sales Tax	Annual Preservation Economic Impact	
Year 1	14	\$ 13,405	0.89	\$ 119	\$ 1,587	\$ 200	\$ 1,402	\$ 35	\$ 3,343	
Year 2	16	\$ 13,455	0.89	\$ 120	\$ 1,593	\$ 200	\$ 1,407	\$ 35	\$ 3,354	
Year 3	18	\$ 13,492	0.89	\$ 120	\$ 1,597	\$ 200	\$ 1,411	\$ 35	\$ 3,363	
Year 4	21	\$ 13,522	0.89	\$ 120	\$ 1,601	\$ 200	\$ 1,414	\$ 35	\$ 3,370	
Year 5	23	\$ 13,546	0.89	\$ 121	\$ 1,603	\$ 200	\$ 1,417	\$ 35	\$ 3,376	
Year 6	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 7	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 8	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 9	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 10	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Gr. Total	92	\$ 67,420		\$ 600	\$ 7,981	\$ 998	\$ 7,051	\$ 176	\$ 16,806	

Average Aggregate Economic Impact										
	Total # of Homes Preserved	Neighborhood Preservation Value Added	Local Real Estate Tax Rate	Net Neighborhood Preservation Tax Abatement	Local Earnings due to Preservation	Local Preservation Permits, Fees and Licenses	Local Merchant Trade	Local Preservation General Sales Tax	Annual Preservation Economic Impact	
Year 1	41	\$ 27,835	0.89	\$ 184	\$ 3,295	\$ 229	\$ 2,911	\$ 73	\$ 6,508	
Year 2	49	\$ 27,223	0.89	\$ 184	\$ 3,222	\$ 224	\$ 2,847	\$ 71	\$ 6,364	
Year 3	55	\$ 27,260	0.89	\$ 184	\$ 3,227	\$ 224	\$ 2,851	\$ 71	\$ 6,373	
Year 4	62	\$ 27,290	0.89	\$ 184	\$ 3,230	\$ 224	\$ 2,854	\$ 71	\$ 6,380	
Year 5	69	\$ 27,313	0.89	\$ 184	\$ 3,233	\$ 224	\$ 2,857	\$ 71	\$ 6,385	
Year 6	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 7	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 8	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 9	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Year 10	0	\$ 0	0.89	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Gr. Total	276	\$ 136,921		\$ 919	\$ 16,208	\$ 1,125	\$ 14,319	\$ 358	\$ 32,010	

F-1: TIMELINE

